

1998, the City used water and sewer operating fund appropriations to ensure that any future rate increases will be as level as possible.

---

## CITY OF DURHAM CAPITAL IMPROVEMENT PROGRAM PROCESS

---

The Capital Improvement Program (CIP) is a statement of the City of Durham's policy regarding long-range physical development. It is vital to the City because it is the principal planning tool designed to achieve urban growth and development. This plan is developed for a six-year period and is updated and revised annually. To be included in the CIP, the project must require a total expenditure of \$100,000.

By providing a planned schedule, cost estimates, and location of public sector improvements, the Capital Improvement Program provides private sector decision makers with valuable information on which to base investment decisions. It also provides local elected officials and the public with valuable information concerning proposed public facilities and their associated costs. Ultimately, this coordination of orderly and efficient programs of private and public investment will benefit the City.

---

### *CIP Preparation*

---

Department heads are responsible for submitting and ranking all proposals for CIP projects that fall within the scope of their operations. The Budget Office then reviews the proposals. The City/County Planning Department also reviews projects for coordination with adopted City Plans. The recommendations of the Budget Department are revised by the City Manager and are presented as the Preliminary Capital Improvement Program. The Preliminary CIP is reviewed by the City Council before being adopted in final form by the City Council. At least one public hearing is conducted prior to approval.

---

### *Goals of the CIP*

---

The CIP is prepared with the guidance of two goals:

- 1. To address the City's immediate and long-term capital needs**, especially those related to:
  - a. Maintaining the existing infrastructure in order to protect the City's investment.
  - b. Expanding the tax base in a way that will benefit both new and existing citizens.
  - c. Managing and encouraging orderly growth in compliance with the Comprehensive Plan.
  - d. Providing City services in the most efficient manner.
  - e. Maintaining and improving the quality of life in a way that enhances the perception of the community by citizens and potential investors.
- 2. To explore all feasible funding sources (as time and resources permit) in order to finance the City's capital needs.**

The CIP is also prepared with the guidance of the six community goals that have been adopted by the City Council:

- To improve the quality of life by reducing the incidence of crime and addressing the root causes of crime.
- To improve the quality of life by ensuring the availability of, and access to, adequate, safe, and affordable housing for every resident.
- To provide economic development activities that increase citizen access to high quality jobs while increasing the City's tax base.

- To improve the livability of the City by managing the City's growth, protecting and preserving the environment, and maximizing the use of public infrastructure.
- To improve the City's image by preserving, enhancing, and building upon the community's aesthetic beauty and natural assets.
- To improve race relations and to preserve, enhance, and build upon the rich and diverse cultural heritage of the community.

In addition, the proposed CIP supports the Administration's organizational goal:

- To support the success of the Community Goals by maximizing the effectiveness and efficiency of the city's workforce, programs, facilities, and financial assets, and employing those resources to equitably leverage the greatest possible benefit for the Citizens of the City of Durham.

---

### *Funding Priorities*

---

Projects most likely to be funded (in no particular order) are those:

1. Mandated by law or formal council policy.
2. Currently funded or for which specific funding sources are available.
3. That are a separate but integral part of another project - a project whose exclusion from this CIP diminishes the effectiveness of another project.
4. Essential to the implementation of programs previously adopted by Council, such as the Comprehensive Plan and Downtown Plan.
5. That address a particular risk to public safety or health.
6. Deemed necessary in order to provide similar services to annexed areas.
7. That further the City's goals of orderly growth as set forth in the City's Comprehensive Plan.
8. That are totally self-supporting.
9. That take advantage of opportunities which exist now but would not be available at a later date.
10. That result in more economical, efficient, or effective delivery of City services. Such projects include those that may have multiple uses or take advantage of multi-jurisdictional participation

---

### *Relationship of the CIP to the Operating Budget*

---

The operating budget and the CIP are closely related. The CIP is a plan that matches the City's major capital needs with our financial ability to meet them. As a plan, it is subject to change. However, a sound and reliable CIP is a crucial element in maintaining the good financial health of the City.

The inclusion of a project in the CIP with either the General Fund or the Water and Sewer Fund as the funding source shows the intent to include that project in the Annual Budget in the appropriate year(s). Even so, because circumstances may change between the adoption of the CIP and the Annual Budget, CIP projects must be resubmitted as part of each department's annual budget request. Funds for such projects are not available unless and until they are included in the Annual Budget approved by the City Council.

In all likelihood, the completion of capital projects will impact the department's operating budget as projects are completed and require maintenance and upkeep. Also, some facilities may require additional utilities, such as electricity and water, above current consumption levels. That impact may not be readily evident when projects are funded and are constructed over several years. Consequently, the impacts of capital projects on the annual operating budget are estimated and noted in the CIP under each project.

The CIP includes a forecast of the operating effects that each capital project will have on the annual budget upon completion. This information is included with each capital project request. This forecast helps the Administration and the City Council identify future budgetary issues as each capital project is completed.

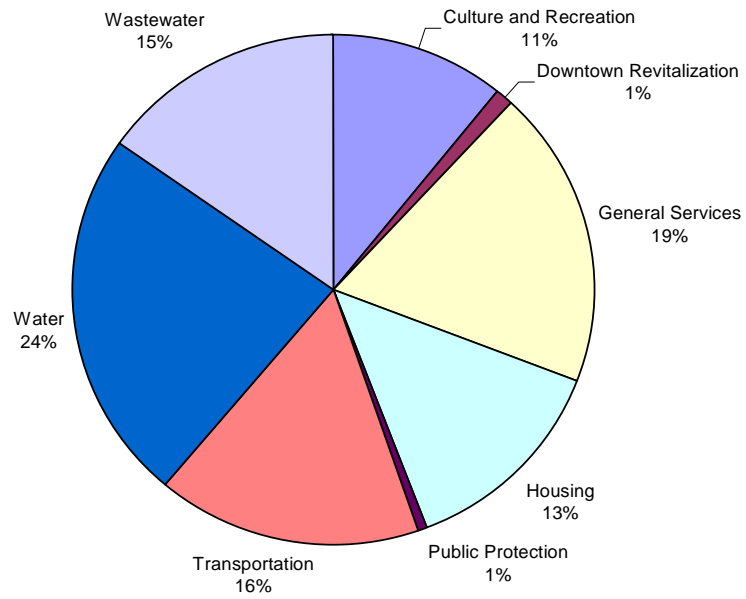
---

*Relationship of CIP to Implementation of Planning and Growth Management Policies*

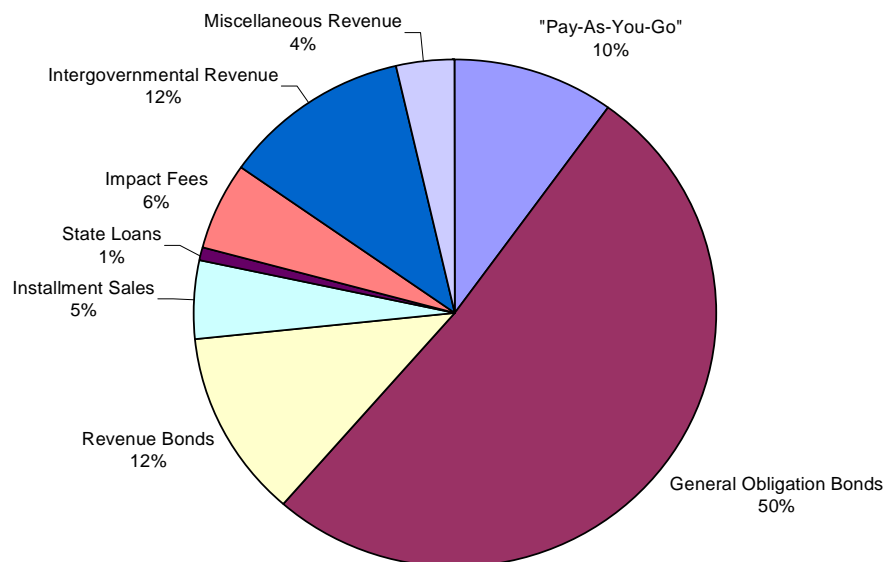
---

It is essential that CIP project proposals support, rather than contradict, plans and policies previously adopted by the City Council in order to coordinate and direct the physical development of the City. In evaluating each CIP proposal, particular attention is given to conformity of proposals with the Comprehensive Plan, the City's broadest overall policy and planning tool for managing growth.

### FY 2002-03 Capital Project Ordinance by Appropriations



### FY 2003 Capital Project Ordinances by Revenue



**Summary of Appropriations and Revenues  
FY 2002-03 Capital Project Ordinance**

**Ordinances #12587 (General Projects) and #12588 (Water/Sewer)  
Adopted June 17, 2002**

<b>APPROPRIATION SUMMARY</b>	
Culture and Recreation	\$ 37,724,126
Downtown Revitalization	4,850,000
General Services	65,785,808
Housing	47,000,750
Public Protection	2,766,500
Transportation	57,303,080
Water	83,642,153
Wastewater	53,656,258
<b>TOTAL</b>	<b>\$ 352,728,675</b>

<b>REVENUE SUMMARY</b>	
"Pay-As-You-Go"	35,703,970
General Obligation Bonds	181,141,901
Revenue Bonds	41,724,485
Installment Sales	17,630,000
State Loans	2,700,000
Impact Fees	19,501,233
Intergovernmental Revenue	41,551,513
Miscellaneous Revenue	12,775,573
<b>TOTAL</b>	<b>\$ 352,728,675</b>